

**AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND WALLACE
GROUP FOR IMPLEMENTATION OF THE NEW DEVELOPMENT WATER
CONSERVATION PROGRAM**

THIS CONTRACT is made and entered into this ___day of _____, 2014 by and between Wallace Group, a California corporation (hereinafter referred to as "Consultant"), and the County of San Luis Obispo, a political subdivision of the State of California (hereinafter referred to as "the County").

W I T N E S S E T H

WHEREAS, on October 8, 2013 the San Luis Obispo County Board of Supervisors approved Ordinance 3247 to continue the Paso Robles Groundwater Basin Urgency Ordinance, Ordinance No. 3246 adopted on August 27th 2013, for a total of two years (hereinafter referred to collectively as "Ordinance 3246") until August 27, 2015; and,

WHEREAS, Ordinance 3246 requires new development that uses water from the Paso Robles Groundwater Basin to offset new water demand at a 1:1 ratio; and

WHEREAS, Ordinance 3246 includes provision for development of a County-run New Development Water Conservation Program (hereinafter referred to as "Program") to generate offset credits through retrofitting of plumbing fixtures in existing homes in the groundwater basin; and,

WHEREAS, the County has need of special services to run the New Development Water Conservation Program; and,

WHEREAS, Consultant is a planning and engineering firm that is specially trained, experienced, expert, and competent to implement such services; and,

WHEREAS, the cost of performing retrofits will be set to equal the cost of retrofit credits available for new development applicants to purchase; and,

WHEREAS, retrofitting work will be funded through the sale of these offset credits to new development applicants who purchase credits in order to offset the water usage of their new development; and

WHEREAS, initial work on the New Development Water Conservation program was funded through purchase order 22009739 of \$24,999, later increased by \$19,000, to

cover start-up costs as well as retrofitting the first 47 homes, enough to generate offset credits needed to build 6 new homes; and

WHEREAS, the County will recoup this initial cost and ongoing retrofit costs as offset credits are purchased by new development applicants; and,

WHEREAS, continued funding for the Program will be dependent upon the volume of new development applications submitted in the Paso Robles Groundwater Basin area generating need for additional offset credits; and,

WHEREAS, the contract amount of \$260,000 includes the total cost to retrofit 280 homes, enough water savings to offset the new water usage of 40 new homes during the two year term of Ordinance 3246, with an additional \$40,000 allowed for inspection costs where new development applicants have chosen to undertake their own retrofitting.

NOW, THEREFORE in consideration of the mutual promises, recitals and other provisions hereof, the parties agree as follows:

1. **Scope of Activities.** The Consultant shall operate the "New Development Water Conservation Program," which retrofits plumbing fixtures in existing dwellings in order to generate water offset credits available for purchase by new development applicants. Over the course of the Program, funds shall be used to perform retrofits to existing dwellings with older plumbing fixtures and to perform the associated administrative duties. In no instance will administrative costs exceed 10% of the total expenditures.

Over the course of the contract, funds shall be used to retain a licensed plumber (subcontractor) to perform retrofits to dwellings identified by the County to the specifications detailed in the "New Development Water Conservation Scope of Work" dated May 6, 2014 attached hereto and incorporated herein as Exhibit C. In no instance will the cost of retrofit tasks exceed the costs specified in Exhibit C.

2. **Reporting.** During the term of this Contract, Consultant shall maintain a virtual retrofit credit tracking system and shall provide monthly reports to the County containing the following:

- a. Total number of retrofits completed
- b. Total gallons of water offset

Attachment 1

- c. Total gallons of water offset as a result of retrofits performed by a building permit applicant's own licensed plumber. County will report these offset credits to Consultant as permits are finalized.
- d. Total number of offset credits purchased by permit applicants. County will report this information to Consultant as permits are issued.
- e. Total number of currently available retrofit credits, which is the number of retrofit credits generated minus the number of offset credits purchased as reported by the County (1 gallon = 1 credit).

In addition, consultant shall maintain accurate records and include in monthly reports the following information on each retrofit performed:

- a. Property owner
- b. Address and assessor's parcel number of retrofitted property
- c. Year the residence was built
- d. Number and type of fixtures that were replaced
- e. Gallons of water saved as a result of the retrofit

4. **Quality Control.** Consultant shall subcontract with licensed plumbers (subcontractors) who are specially trained, experienced, and competent to perform the retrofitting work specified in this contract and who have demonstrated strong customer satisfaction. In addition, Consultant shall require all subcontractors to draft and implement a written quality control / quality assurance program, including a mechanism for notification of customer complaints, and the tracking of timely correction of any such complaints.

5. **Term of Agreement.** The term of this Contract shall commence on the effective date of June 3, 2014. Retrofitting work shall terminate on or before August 26, 2015, and this contract shall terminate on September 14, 2015 to allow for closing out of administrative activities, unless said work is completed prior to that date or unless sooner terminated as hereinafter provided.

6. **Compensation.** The County will pay Consultant a maximum amount of \$260,000 for carrying out the Program to the satisfaction of the County, of which a maximum amount of \$11,255 is for subcontractor mark-up costs, \$23,637 is for administrative

activities, and \$225,108 is for retrofit work. The County will pay the Consultant on a monthly basis following receipt and County approval of an invoice and the monthly report detailed in Paragraph 2 above. Consultant shall request payments from the County using the attached form as described in "Exhibit A". In no instance shall the County be liable for any costs for the Project in excess of \$260,000 nor for any unauthorized or ineligible costs.

7. **Inspections.** This section of the Contract, Section 7, is an option to be exercised solely at the discretion of the County Director of the Department of Planning and Building (hereinafter referred to as "Director"), and is in addition to the activities authorized in Section 1 above (Scope of Work) and in addition to the compensation authorized in Section 6 above (Compensation).

- a. At the Director's request, Consultant shall direct a licensed plumber to perform inspections on plumbing fixtures replaced by a licensed plumber hired by new development applicants who chose not to purchase credits from the New Development Water Conservation Program. This will include pre-retrofit inspections to verify that the water usage of existing fixtures in homes participating in the program is correctly reported and post-retrofit inspections to verify that replacement fixtures meet program criteria, as follows:
 - i. Pre-retrofit Inspection: Consultant shall require the licensed plumber to verify and record the gpf of existing toilets and the gpm of existing showerheads to be retrofitted. Consultant shall maintain accurate records of this data.
 - ii. Post-retrofit Inspection: Consultant shall require the licensed plumber to verify that new fixtures meet or exceed fixture program requirements for both flow rate (gpf or gpm) and performance (MaP rating).
- b. Payment for each pre-retrofit inspection shall not exceed \$162.75, including up to \$155 for the costs of the inspection and up to 5% or \$7.75 as an administrative cost to Consultant. Payment for each post-inspection shall not exceed \$122.85, including up to \$117 for the costs of the inspection and up to 5% or \$5.85 as an administrative cost to Consultant. The Consultant shall request payment from the County using the attached form as described in Exhibit B, and shall submit an itemized invoice for each inspection performed. The total maximum allowed for performing inspections shall not exceed \$40,000.

8. **Minor Modifications.**

In the event of increases in the licensed plumber's costs to perform retrofits due to increased materials cost or prevailing wage increases that are substantiated in marketplace value or verifiable via the consumer price index, the Board of Supervisors delegates to the Director the authority to sign amendments to this Contract that provide additional compensation to account for the increased costs, provided that all amendments do not total more than ten percent (10%) of the maximum amount stated in paragraph 6 above, or twenty-six thousand dollars (\$26,000). The County will adjust the cost of offset credits to reflect the new retrofit costs accordingly. Any amendment beyond that cumulative amount or an amendment pertaining to any performance other than increasing the costs to perform retrofits, including but not limited to insurance, indemnity, property and other provisions in this Contract, must be in writing and signed by the Board of Supervisors. Any modification to the Contract within the scope of this paragraph need only be signed by the Consultant and the Director.

9. **Sources and Availability of Funds.** It is understood by the parties hereto that the funds being used for the purposes of this Contract are funds furnished to County through purchase of offset credits by new development applicants using the Program. If the County fails to receive adequate funding from the purchase of offset credits for any reason then funds may not be paid to Consultant. County shall incur no liability to Consultant, its officers, agents, employees, suppliers, or subcontractors for any delay in making any such payments of Program funds.

10. **Termination of Contract for Convenience of Either Party.** Either party may terminate this contract at any time by giving to the other party 30 days' written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Consultant shall be paid for all work satisfactorily completed prior to the effective date of said termination. Termination of the Contract may be effectuated by the Director without the need for action, approval or ratification of the Board of Supervisors.

11. **Termination of Contract for Cause.** If Consultant fails to perform Consultant's duties to the satisfaction of the County or if Consultant fails to fulfill in a timely and

professional manner Consultant's obligations under this Contract or if Consultant shall violate any of the terms or provisions of this Contract or if Consultant, Consultant's agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the County, then County shall have the right to terminate this Contract effective immediately upon the County giving written notice thereof to the Consultant. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Consultant shall be paid for all work satisfactorily completed prior to the effective date of such termination. If County's termination of Consultant for cause is defective for any reason, including but not limited to County's reliance on erroneous facts concerning Consultant's performance, or any defect in notice thereof, County's maximum liability shall not exceed the amount payable to Consultant under Section 2 above. Termination of the Contract may be effectuated by the Director without the need for action, approval or ratification of the Board of Supervisors.

12. **Employment Status**. Consultant shall, during the entire term of this Contract, be construed as an independent contractor, and nothing in this Contract is intended nor shall be construed to create an employer-employee relationship or a joint venture relationship. Neither Consultant nor any of Consultant's agents, employees or contractors are or shall be considered to be agents or employees of the County in connection with the performance of Consultant's obligations under this Contract. Nothing in this Contract authorizes, or permits, the County to exercise discretion or control over the professional manner in which Consultant performs the services which are the subject of this Contract; provided always, however, that the services to be provided by Consultant shall be provided in a manner consistent with all applicable standards and regulations governing such services.

13. **Records**

- a. All records, accounts, documentation and all other materials relevant to a fiscal audit or examination, shall be retained by Consultant for a period of not less than five (5) years after termination of the Program.
- b. If so directed by the County upon termination of this Contract, Consultant shall cause all records, accounts, documentation and all other materials relevant to the Project to be delivered to the County or as depository.

- c. Consultant understands that Consultant shall be subject to examination and monitoring by the County and/or audit by the Auditor General for a period of five (5) years after the final payment under this Contract.

14. **Audit**

- a. All records, accounts, documentation and other materials deemed to be relevant to the Project by the County shall be accessible at any time to the authorized representatives of the County, state or federal government, on reasonable prior notice for the purpose of examination or audit.
- b. An expenditure which is not authorized by this Contract or which cannot be adequately documented shall be disallowed and must be reimbursed to the County or its designee by Consultant. Expenditures for work not described in paragraph one (1) of this Contract shall be deemed authorized if the performance of such work is approved in writing by the County prior to the commencement of such work.
- c. Absent fraud or mistake on the part of the County, the determination by the County and of allowability of any expenditure shall be final.

15. **Indemnification.** To the fullest extent permitted by law, Consultant shall hold harmless, and indemnify the County and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including reasonable costs and fees of litigation) of every nature arising out of or in connection with Consultant's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by negligence or willful misconduct of the County.

16. **Warranty of Consultant.** Consultant warrants that Consultant and each of the personnel employed or otherwise retained by Consultant are properly certified licensed and insured under the laws and regulations of the State of California to provide the special services herein agreed to. Consultant further warrants and agrees that the duties described in this Contract shall be the only work Consultant, and/or its employees, agents, representatives, or subcontractors perform on the Program, unless the Consultant obtains prior written consent from the Director.

17. **Insurance.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise

from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. If Consultant will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Consultant's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

If the Consultant maintains higher limits than the minimums shown above, the County requires and shall be entitled to coverage for the higher limits maintained by the Consultant.

Professional Liability/Errors and Omissions

Insurance covering Subcontractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Consultant understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

Additional Insured Status

The County, its officers, officials, employees, and volunteers are to be covered as insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except after thirty (30) days' prior written notice** (10 days for non-payment) has been given to the County

Failure to Maintain Insurance

Consultant's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract, upon which the County immediately may withhold payments due to Consultant, and/or suspend or terminate this Contract. The County, at its sole discretion, may obtain damages from Consultant resulting from said breach.

Waiver of Subrogation

Consultant hereby grants to County a waiver of any right to subrogation which any insurer of said Consultant may acquire against the County by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the County. The County may require the Subcontractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the County.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of contract work.

Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

Verification of Coverage

Consultant shall furnish the County with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Certificates and copies of any required endorsements shall be sent to:

San Luis Obispo County
Department of Planning and Building, Housing and Economic Development
Attention: Cheryl Cochran, Planner I

976 Osos Street, Room 300
San Luis Obispo, CA 93408

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Special Risks or Circumstances

County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

18. **Entire Agreement and Modification.** This Contract sets forth the full and entire understanding of the parties regarding the matter set forth herein, and any other prior or existing understandings or contracts by the parties, whether formal or informal, regarding any matters are hereby superseded or terminated in their entirety. No changes, amendments, or alterations shall be effective unless in writing and signed by all parties hereto. Consultant specifically acknowledges that in entering into and executing this Contract, Consultant relies solely upon the provisions contained in this Contract and no others.

19. **Funding for Additional Services.** Funding of any programs, projects, or services beyond the term of this Contract, by any new contract or amendment or extension of this Contract, have not been authorized and will depend upon County's determination of satisfactory performance of this Contract by Consultant and upon the availability to County of additional funds allocated for such purposes. Neither County nor any employee of County has made any promise or commitment, express or implied, that any additional funds will be paid or made available to Consultant for the purpose of this Contract over and above the funds expressly allocated under the terms of this Contract.

20. **No Assignment Without Consent.** Inasmuch as this Contract is intended to secure the specialized services of Consultant, Consultant shall not have the right to assign or transfer this Contract, or any part hereof or monies payable hereunder, without the prior written consent of County, and any such assignment or transfer without the County's prior written consent shall be considered null and void.

21. **Binding on Successors in Interest.** All provisions of this Contract shall be binding on the parties and their heirs, assigns and successors in interest.

22. **Compliance with City, County and State Laws and Regulations.**

Consultant agrees to comply with all city, county and state laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, prevailing wage, and all other matters applicable to Consultant, its subcontractors, and the Program.

23. **Law Governing and Forum Selection.** This Contract has been executed and delivered in the State of California, and the validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the law of the State of California. All duties and obligations of the parties created hereunder are performable in San Luis Obispo County, and a state court in such County shall be that forum for any action, or proceeding that may be brought, or arise out of, in connection with or by reason of this Contract.

24. **Enforceability.** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

25. **Effect of Waiver.** County's waiver of a breach of any one term, covenant or other provision of this Contract shall not be a waiver of a subsequent breach of the same term, covenant or provision of this Contract or of the breach of any other term, covenant or provision of this Contract.

26. **Equipment and Supplies.** Consultant will provide all the equipment and supplies that are necessary to fulfill the requirements and obligations this Contract.

27. **Copyright.** Any reports, maps, documents or other materials produced in whole or part by Consultant or any subcontractor or person responsible to Consultant under this Contract shall be the property of the County and none shall be subject to an application for copyright by or on behalf of Consultant, subcontractor or any person responsible to Consultant during performance of this Contract.

28. **Confidentiality.** Consultant and County shall uphold relevant state confidentiality regulations and laws that protect the records of the individuals receiving the described retrofits. No reports, maps, data, information, documents, or any other materials given to or prepared by Consultant under this Contract which County requests in writing to be

kept confidential or which is protected from disclosure by any applicable state or federal law, shall be made available to any individual or organization by Consultant without the prior written approval of County. However, Consultant shall be free to disclose such data as is publicly available. Consultant shall require all of its employees, agents, representatives, and subcontractors to comply with this confidentiality provision.

29. **Cost Disclosure - Documents and Written Reports.** Pursuant to Government Code section 7550, if the total cost of this Contract is over \$5,000, the Consultant shall include in all final documents and in all written reports submitted a written summary of costs, which shall set forth the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such document or written report. The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

When multiple documents or written reports are the subject or product of contracts, the disclosure section may also contain a statement indicating that the total contract amount represents compensation for multiple documents or written reports.

30. **Notices.** Unless otherwise provided, all notices herein required shall be in writing, and delivered in person or sent by United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows:

James Bergman, Director
SLO County Department of Planning and Building
979 Osos Street, Room 200
San Luis Obispo, CA 93408

and to the Consultant:

Brad Brechwald, PE, PLS, CEO, Principal
Wallace Group
612 Clarion Court
San Luis Obispo, CA 93401

Provided that any party may change such address by notice in writing to the other parties and thereafter notices shall be transmitted to the new address.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

WALLACE GROUP, a California Corporation,

By:  ^{PE} 33345

Title: President

Dated: 5/21/14

By:  ^{PE 72702}

Title: Principal

Dated: 5/21/14

COUNTY OF SAN LUIS OBISPO

By: _____

Chairman of the Board of Supervisors

Approved by the Board of Supervisors this on
_____, 20__

ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: 
Deputy County Counsel

Dated: 5/21/14

Attachment 1

Exhibit A COUNTY OF SAN LUIS OBISPO CONSULTANT PAYMENT REQUEST FORM:

Instructions: Complete this form, have an authorized person sign and date it, email it to: ccochran@co.slo.ca.us.

Consultant name and address: (payment will be mailed to this address) Wallace Group 612 Clarion Court San Luis Obispo, CA 93401	Request by: Signature: _____ Date: Name: Phone:			For county use only:		
<i>Funding source</i>	<i>Total funds budgeted</i>	<i>Amount of this request</i>	<i>Previous requests</i>	<i>Balance after this payment</i>		
PRGWB New Dev Program: Retrofits	\$225,108					
PRGWB New Dev Program: Subconsultant Mark-Up (5%)	\$11,255					
PRGWB New Dev Program: Admin (10%)	\$23,637					
Total	\$260,000					

Required Information with every payment request:

1) Monthly report

Comments:

Attachment 1

Exhibit B

COUNTY OF SAN LUIS OBISPO CONSULTANT PAYMENT REQUEST FORM:

Instructions: Complete this form, have an authorized person sign and date it, email it to: ccochran@co.slo.ca.us.

<p>Consultant name and address: (payment will be mailed to this address)</p> <p>Wallace Group 612 Clarion Court San Luis Obispo, CA 93401</p>	<p>Request by:</p> <p>Signature: _____</p> <p>Date:</p> <p>Name:</p> <p>Phone:</p>			<p>For county use only:</p>		
<i>Funding source</i>	<i>Total funds budgeted</i>	<i>Amount of this request</i>	<i>Previous requests</i>	<i>Balance after this payment</i>		
PRGWB Inspections	\$38,000					
PRGWB Inspections: Subconsultant Mark-Up (5%)	\$2,000					
Total	\$40,000					

Comments:

Exhibit C

SCOPE OF WORK

New Development Water Conservation Program
Paso Robles Groundwater Basin
June, 3, 2014

INTRODUCTION

The County of San Luis Obispo (County) intends to contract with Wallace Group (Consultant) for implementation of the New Development Water Conservation Program (Program). The Program was developed as a result of the Paso Robles Groundwater Basin Urgency Ordinance (Ordinance 3246) to generate offset credits through retrofitting existing indoor plumbing fixtures with more efficient fixtures. The County will make these credits available for purchase by new development that needs to offset new water demand at a 1:1 ratio under Ordinance 3246. Funding for the Program of up to \$260,000 is dependent upon the purchase of offset credits by new development applicants who choose to use the Program to offset water use for new development.

The Consultant will subcontract with licensed plumbers who are specially trained, experienced and competent to perform the retrofitting work specified in this contract. Consultant shall only retain licensed plumbers with demonstrated retrofitting experience and strong customer satisfaction.

SCOPE OF SERVICES

Administrative Tasks

Consultant shall be responsible for the following administrative costs. Total administrative costs shall not exceed 10%, or \$23,637, of the total cost of retrofit work of \$225,108, as set forth below.

Attachment 1

Administrative tasks may include:

- Qualify Residences
Prior to scheduling the licensed plumber for retrofit work, Consultant shall verify that the residence is located in an unincorporated area of San Luis Obispo County and overlies the Paso Robles Groundwater Basin, and that residence does not overlie the Atascadero Sub-basin or properties served by County Service Area 16 or the San Miguel Community Services District.
- Reporting and Maintaining Virtual Retrofit Credit Tracking System
Consultant shall maintain a virtual retrofit credit tracking system and provide monthly reports to the County as outlined in Paragraph 2 of the "Agreement Between the County of San Luis Obispo and Wallace Group for Implementation of the New Development Water Conservation Program."
- Scheduling and Ensuring Timeliness of Retrofit Work
Consultant shall ensure that retrofit work is scheduled within 5 days of receiving contact information of County-approved participating residences generated a by County-run marketing program, and that retrofitting work is completed within 30 days of receiving contact information. Consultant shall not schedule retrofit work for any residence not previously approved by the County as a qualifying participant.
- Meetings
Consultant shall be available for monthly conference calls and up to a total of two meetings with County staff and other agencies as needed to discuss issues that may arise.

Subconsultant Mark-Up

Consultant will be paid a subcontractor mark-up cost of up to \$11,255. This fee covers costs and risks associated with hiring a subcontractor, including errors and omissions insurance, and non-billable hours associated with processing invoices and payments.

Retrofit Work

Consultant shall oversee licensed plumbers and ensure quality of retrofit work. Consultant shall require that, should staff other than the licensed plumber's president complete the work, the licensed plumber's president shall inspect every 1 out of 10 homes to ensure the work has been completed satisfactorily. Consultant shall require the licensed plumbers to establish and maintain a system to address customer complaints. Total retrofit costs shall not exceed \$225,108.

Consultant shall ensure that retrofits are performed to the following specifications:

Toilets:

Up to **two** toilets per County-approved participating household that use MORE THAN 1.6 gallons per flush (gpf) shall be replaced with toilets that use 1.28 or less gallons per flush. Consultant shall require the licensed plumbers to verify gpf of existing toilets. Replacement toilets must be rated with a minimum score of 600 per the California Urban Water Conservation Council Maximum Performance Testing (MaP) program. Consultant shall require the licensed plumbers to test all newly installed toilets to ensure that they are functioning well and without leaks, and shall properly dispose of replaced toilets.

Licensed plumber shall be paid the sum of **\$293.85** per installed toilet. In the unusual event that a 10-inch rough in toilet is required, the Licensed plumber shall be paid the sum of **\$335.75** per installed toilet.

Showerheads:

Up to **two** showerheads per County-approved participating household that use MORE THAN 1.5 gallons per minute (gpm) shall be replaced with showerheads that use 1.5 gpm or less. Consultant shall require the licensed plumbers to test all newly installed showerheads to ensure that they are functioning well and without leaks, and shall properly dispose of replaced showerheads.

Licensed plumber shall be paid the sum of **\$44.00** per installed showerhead.

Attachment 1

Aerators:

Up to 4 aerators per County-approved participating household that use MORE THAN 1 gpm may be replaced with aerators that use 1 gpm or less.

Licensed plumber shall be paid the sum of \$19.50 per installed aerator

Water Pressure Determination:

Consultant shall require the licensed plumbers to perform a water pressure determination on each County-approved participating household.

Licensed plumber shall be paid the sum of \$25 per water pressure determination performed.

Adjust Existing Water Regulator:

If needed based on water pressure determination, Consultant will require the licensed plumbers to adjust existing water regulator to the correct pressure.

Licensed plumber shall be paid the sum of \$25 for each water regulator adjusted.

CONTRACT END DATE

The contract will terminate on September 14, 2015. Retrofitting work will terminate on or before August 26, 2015.

TO BE PROVIDED BY THE COUNTY

- Advertisement of the program
- Identification and approval of qualifying households
- Quality check via phone calls to homeowners after retrofit work has been performed

